



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Reimbursement of one Standby Generator and Establishment of a Load Management Program (\$75,000)

**MEETING DATE:** May 19, 1999

**PREPARED BY:** Electric Utility Director

---

**RECOMMENDED ACTION:** That the City Council approve the reimbursement of one (1) standby generator and authorize the development of a load management program.

**BACKGROUND INFORMATION:** While working to improve service reliability, the City of Lodi Electric Utility also investigates possible new services that could be offered to customers. The project described herein accomplishes both these goals.

The Bank of Lodi, a Lodi-headquartered commercial/industrial electric customer, has experienced several power interruptions in the recent past that have halted operations both locally and at branch offices. The Bank of Lodi utilizes nearly 680,000 kwh annually at their 701 S. Ham Lane facility. The number of outages experienced are in excess of acceptable reliability criteria for a commercial enterprise. The Department has taken a number of actions to remedy the existing reliability issue. These actions have, to date, proven ineffective.

The customer and the Department have investigated possible options to this problem. The Department estimates that upgrading the portion of the electric distribution system serving the Bank of Lodi at this time could cost up to \$150,000, require rescheduling the Department's extensive distribution and lighting systems improvements in addition to requiring planned outages of the customer's electric service in order to perform the work and additional excavation and roadwork at a busy intersection. Another option is to install a standby (emergency) generator. The customer has determined that such an arrangement would be acceptable. The total project cost to the Department is \$75,000.

The Department recommends an arrangement with the Bank of Lodi whereby the City would reimburse the customer up to \$75,000 in funds for the purchase and installation of the generator. The customer would be responsible for providing the necessary space and maintenance of the generator at its expense. The City and the customer will work together to develop a procedure by which the Electric Utility Dispatch Center could call upon the generator for load support under certain conditions. This arrangement would:

- 1) Save the City up to \$75,000 in construction costs;

**APPROVED:** \_\_\_\_\_  
H. Dixon Flynn -- City Manager



## CITY OF LODI

## COUNCIL COMMUNICATION

- 2) Establish a pilot "load management" program to evaluate additional electric services and improved practices in order to maintain a competitive edge in a deregulated electric market. Load management provides staff with additional system control for load control, voltage support, and relieves system capacity needs;
- 3) Avoid vehicular and pedestrian traffic interruptions caused by construction;
- 4) Avoid prolonged service interruptions for the customer and others on the affected circuit;
- 5) Improve Bank of Lodi electric reliability in excess of that which could otherwise have been obtained by the City.

The Electric Utility Department believes that in a competitive environment, it is essential to meet and exceed customer needs. By providing an alternate source of power for a customer experiencing a service reliability issue, the generator serves as an important tool for ensuring customer satisfaction, while addressing an immediate need for energy in the event of an outage.

**FUNDING:** Operating Fund

**FUNDING AVAILABLE:**

Vicky McAthie  
Vicky McAthie, Finance Director

Alan N. Vallow  
Alan N. Vallow  
Electric Utility Director

**PREPARED BY:** Mel Grandi, Manager Electric Services

ANV/MG/lst

C: City Attorney

**APPROVED:**

Janet S. Keeton for DF  
H. Dixon Flynn -- City Manager

RESOLUTION NO. 99-73

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
REIMBURSEMENT OF ONE STANDBY GENERATOR AND  
ESTABLISHMENT OF A LOAD MANAGEMENT PROGRAM

WHEREAS, Lodi Municipal Code, §3.20.070, authorizes dispensing with bids for purchases of supplies, services or equipment when it is in the best interest of the City to do so; and

WHEREAS, while working to improve service reliability, the City of Lodi Electric Utility also investigates possible new services that could be offered to customers; and

WHEREAS, the Bank of Lodi, a Lodi-headquartered commercial/industrial electric customer, has experienced several power interruptions in the recent past; and

WHEREAS, the number of outages experienced are in excess of acceptable reliability criteria for a commercial enterprise; and

WHEREAS, the Electric Utility Department has taken a number of steps to remedy the existing reliability issue, which have proven ineffective; and

WHEREAS, Electric Utility Department has estimated that upgrading that portion of the electric distribution system serving the Bank of Lodi could cost up to \$150,000, which would require rescheduling the Department's extensive distribution and lighting systems improvements in addition to requiring planned outages of the customer's electric service in order to perform the work and additional excavation and roadwork at a busy intersection; and

WHEREAS, another option would be to install a standby (emergency) generator, which is acceptable to the customer, at a cost of \$75,000.00; and

WHEREAS, the Electric Utility Department recommends reimbursing the customer with up to \$75,000.00 in funds to purchase and install the generator, with the customer being solely responsible for providing the necessary space and maintenance of the generator at its expense, thereby establishing a pilot "Load Management Program"; and

WHEREAS, the City Manager recommends reimbursement of one Standby Generator for the Bank of Lodi, and approves the establishment of a Load Management Program.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby approves the reimbursement of one Standby Generator for the Bank of Lodi, and further approves the establishment of a Load Management Program.

Dated: May 19, 1999

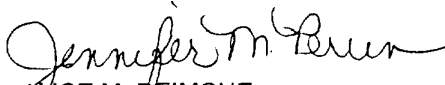
I hereby certify that Resolution No. 99-73 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 19, 1999, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Nakanishi, Pennino and Land (Mayor)

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – Mann

  
for ALICE M. REIMCHE  
City Clerk